

apologize for not having followed as closely as I should the committee amendments which evidently become the bill. I'd like, if you don't mind, to have either Senator Hartnett or Senator Warner again explain what are exactly the credit, the tax credit changes under the bill? I see the handout from Senator Hartnett and it looks to me as though there is an adjustment to the...not the LB 775, the LB 270 credits and making them more lucrative to...in the enterprise zone. Is that correct?

SENATOR HARTNETT: Yes, that's correct, yes. You can see on the one sheet, page 3 of the handout, Senator Wesely, that if the new employees, if 50 percent of them come from the residents of the enterprise zone, then they get three times the 1,500, 4,500, and also they get the \$3,000 of increased investment but they have to live within the enterprise zone. If less than 50 percent, the next sheet, or the next column over, if you have an employee that lives within the enterprise zone, you get \$4,500 for that. You don't get...and if somebody lives out you get 1,500 and then \$1,000 is all for the \$75,000 investment. There is also, Senator Wesely, there is a cap on how much one business can receive. The cap is 75,000 and under 270 right now according to the Department of Economic Development that 25 percent of the people that applied so far have received more than that. So we put a cap on how much they do so that it's an incentive but with a limited incentive. So I think it's a good step forward and we also have good accountability in the one section.

SENATOR WESELY: Thank you, Senator Hartnett. I really appreciate that explanation. From what I can understand of the bill at this point, it is appealing. It was originally my legislation that was then amended by LB 270 that established the tax incentives back in '86, were amended in '87 so I've always felt that some assistance to a business to expand and to grow is sensible. The question is how far do you extend that? That's why I have always had concerns about LB 775 which is kind of an unlimited grant of tax exemption. This obviously is not so lucrative as LB 775, but better than the other bill that we have for the smaller businesses. In the studies I recall when we first passed those bills, the 775 grants that, not grants, but the tax breaks were about 10 times as great as the LB 270, and so even though this is three times better for those in the enterprise zone, it still would fall short I believe of what LB 775 would do. So in my view, my reaction is a positive one to this and I like the idea of trying to have an incentive to